

DISCOVERING THE NEXT SOLUTION

Q2 REPORT

Q2

BUE4B

Q2



Erik Lundén
President & CEO



Pär Ihrskog
CFO

96% OF THE PRODUCTS WE SELL
ARE RECYCLABLE

DISCOVERING THE NEXT SOLUTION

Q2 REPORT

Q2 highlights

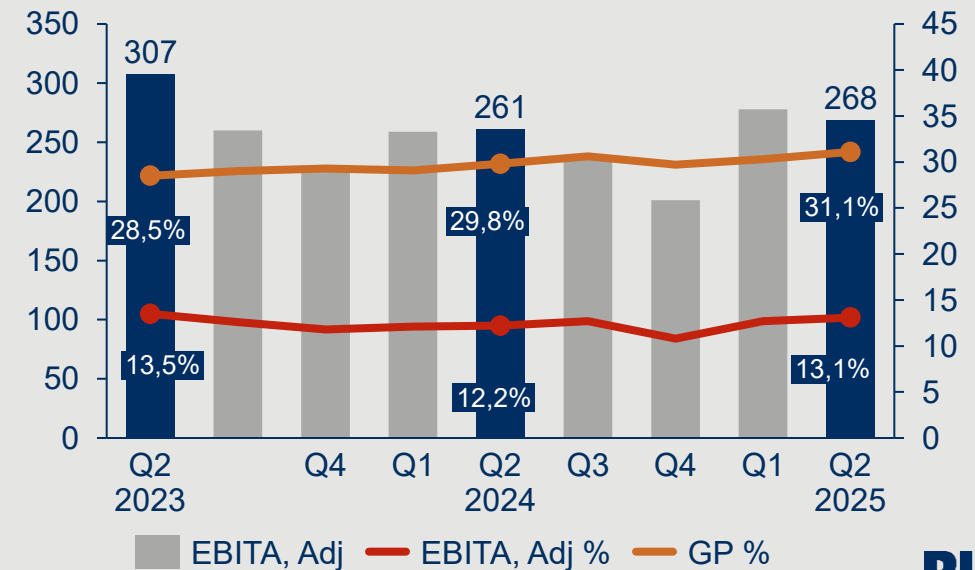
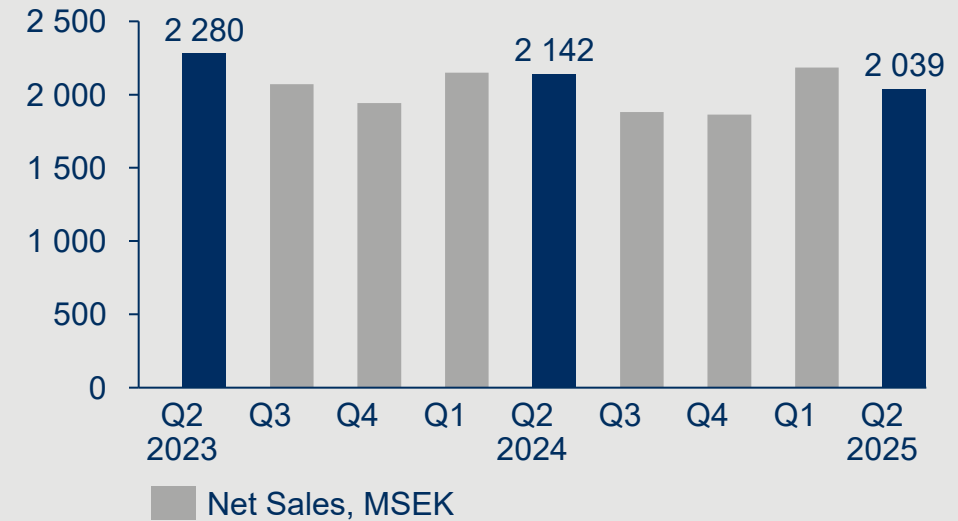
Erik Lundén

President & CEO

BUEAB

Q2 highlights – strengthened gross margin and improved operating profit

- Total revenue down by 4.8%, largely due to currency effects
- Organic growth at -0.3%, impacted by the uncertain global environment
- Continued large variation across industries
- Strengthened gross margin at 31.1% (29.8)
- Strong adjusted operating margin at 13.1% (12.2), a step in the right direction towards our profitability target
- Several new major customer projects during the quarter
- A small manufacturing unit within Component Solutions Group in the USA divested after the quarter



BUMAX BOLTS ARE MADE OF 82-87% RECYCLED STEEL
PRODUCED LOCALLY IN SWEDEN

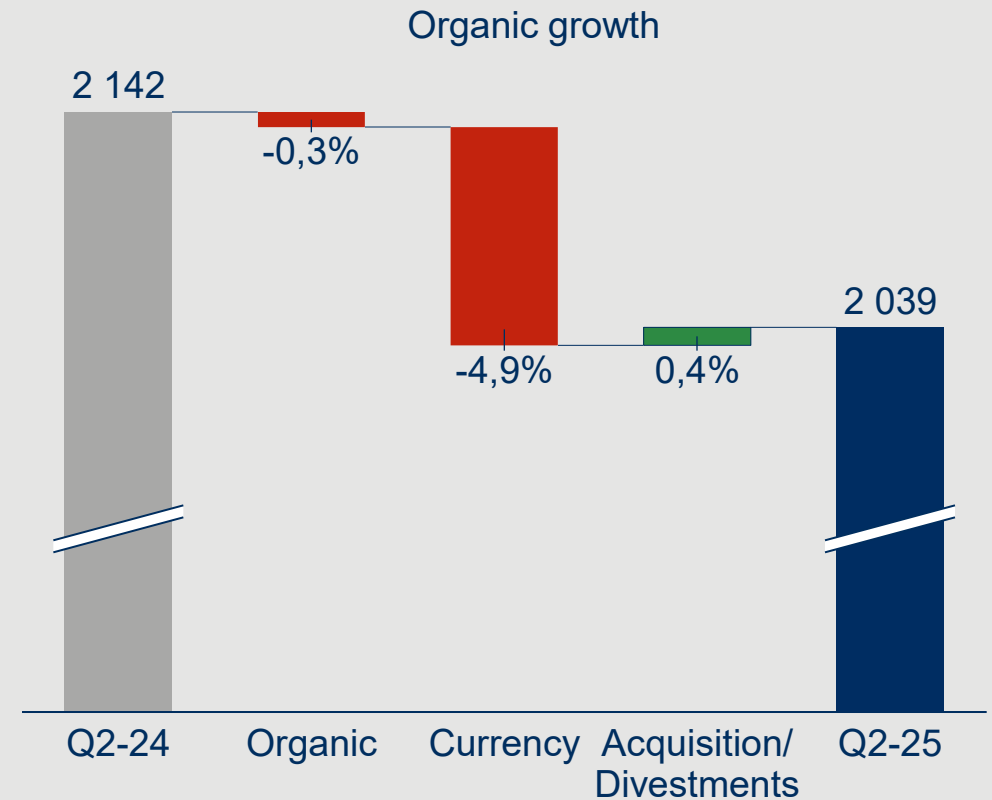
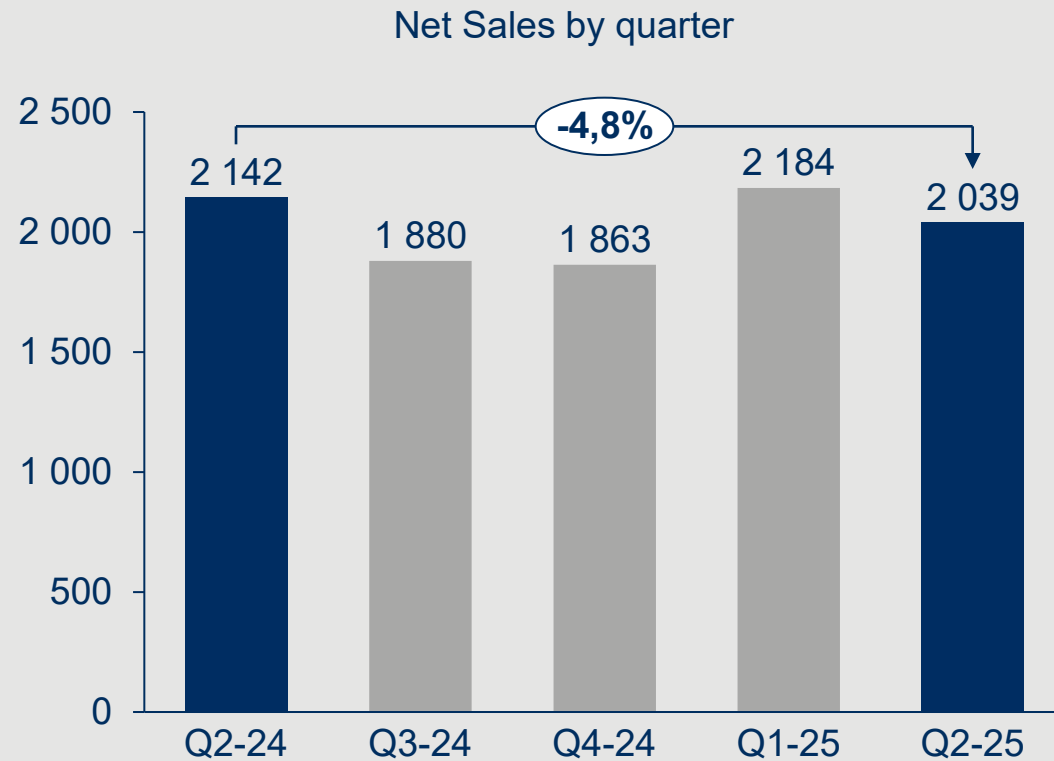
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Q2 REPORT

Financial Highlights

Pär Ihrskog
CFO

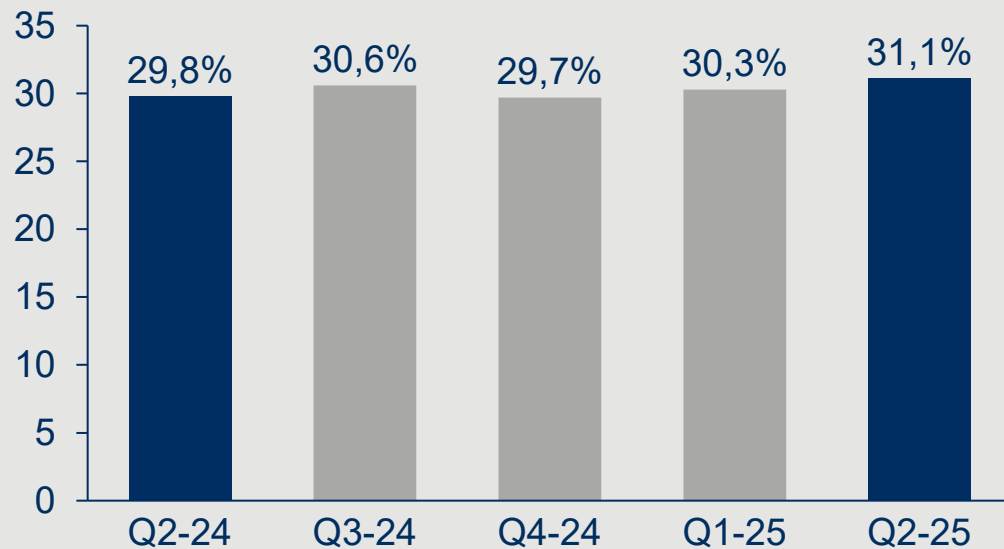
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Total revenue down by 4.8%, mainly due to currency effects. Organic growth remains slightly negative.

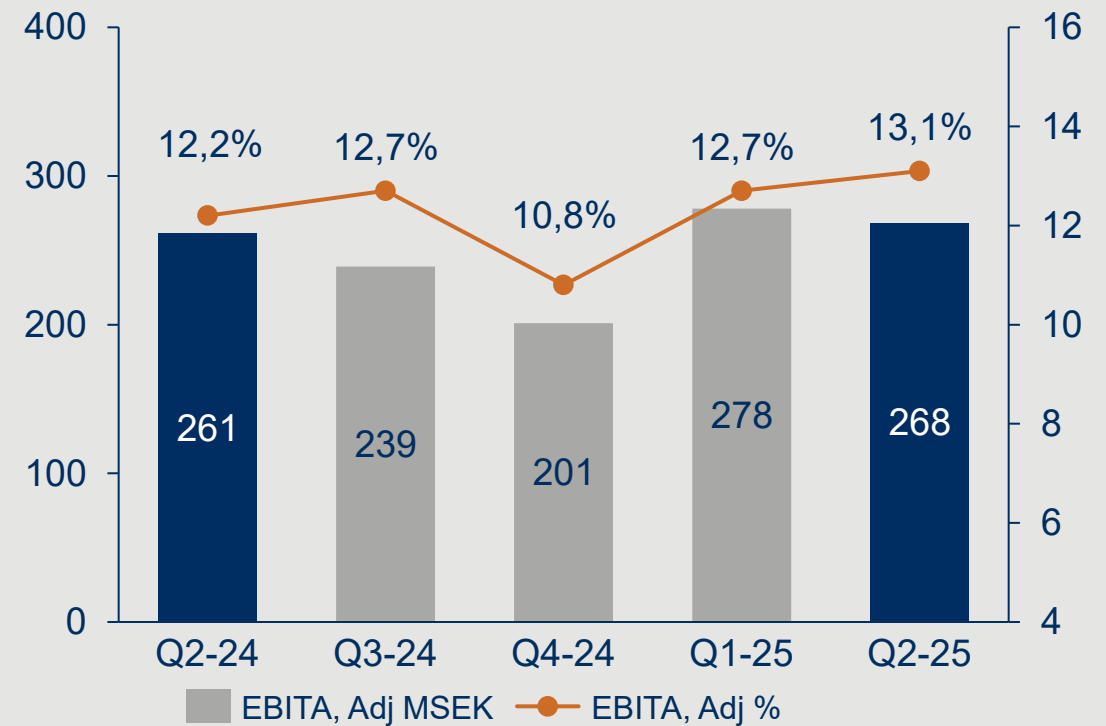


A strengthened gross margin in combination with good cost control resulted in an improved EBITA margin

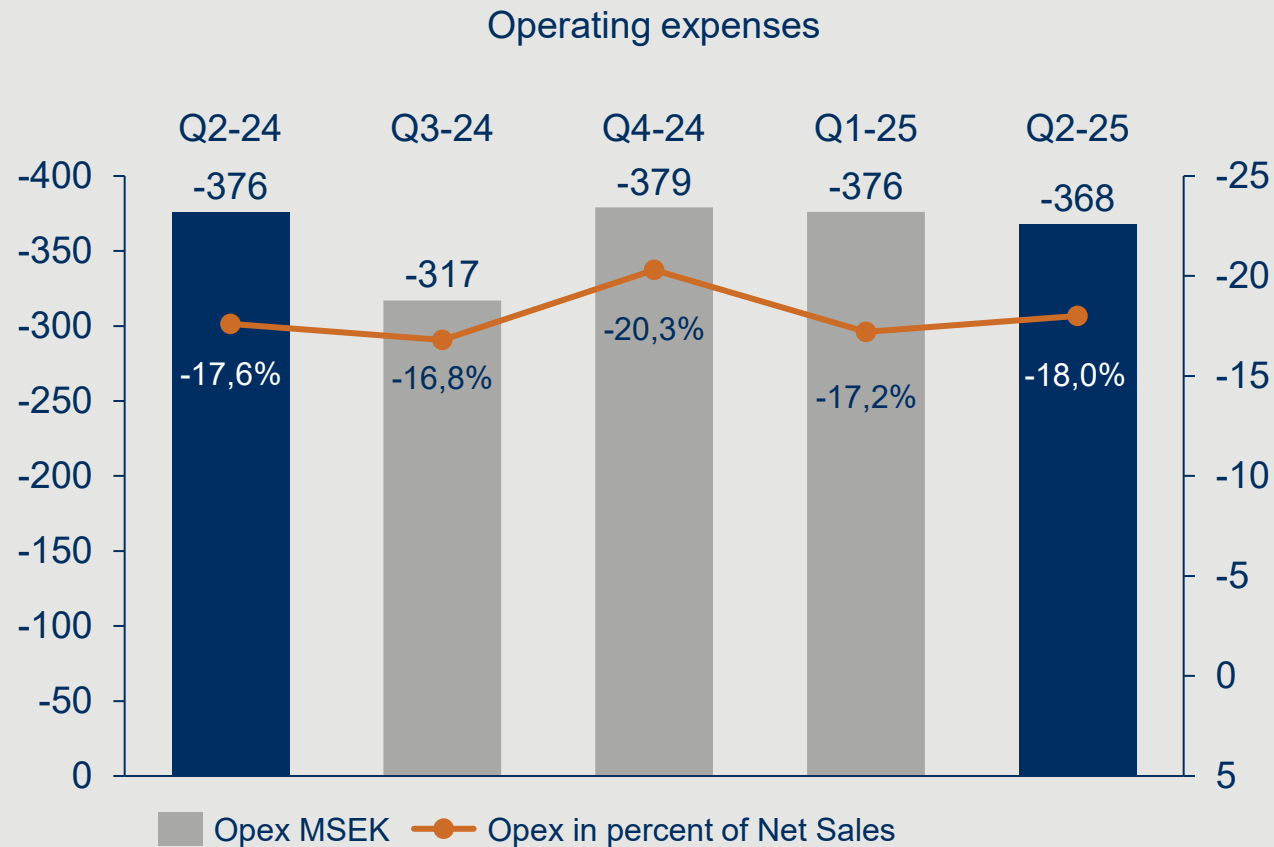
Gross Profit Margin



EBITA adjusted and EBITA margin adjusted



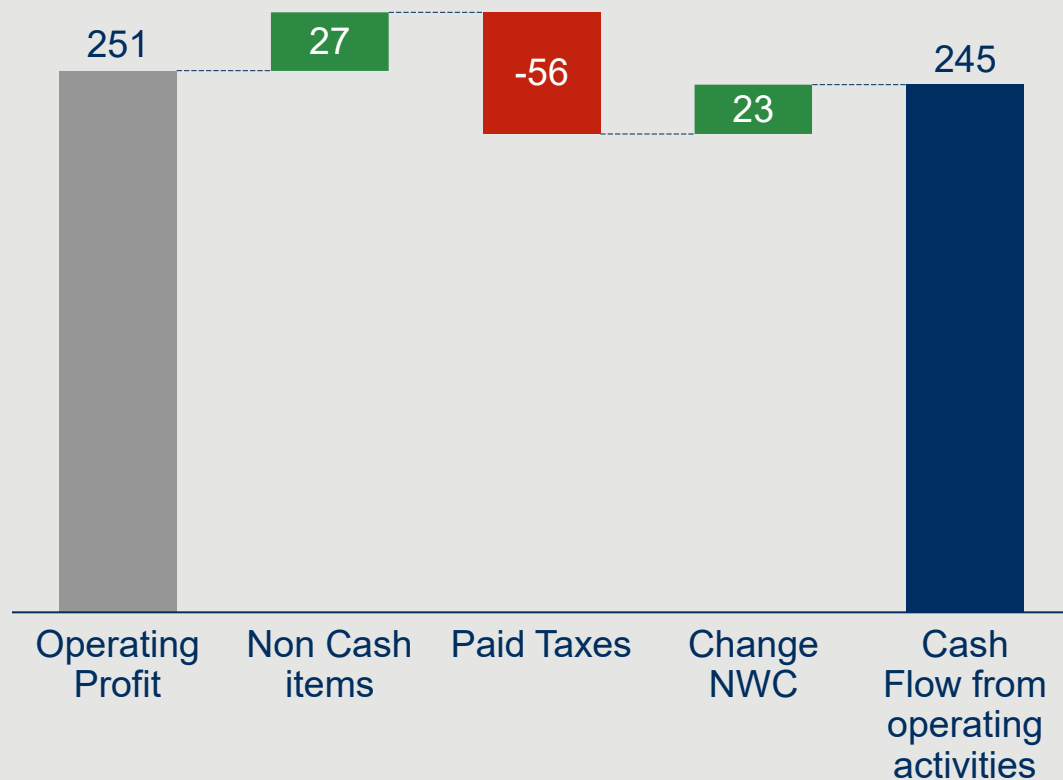
Operating expenses down by SEK 8 million



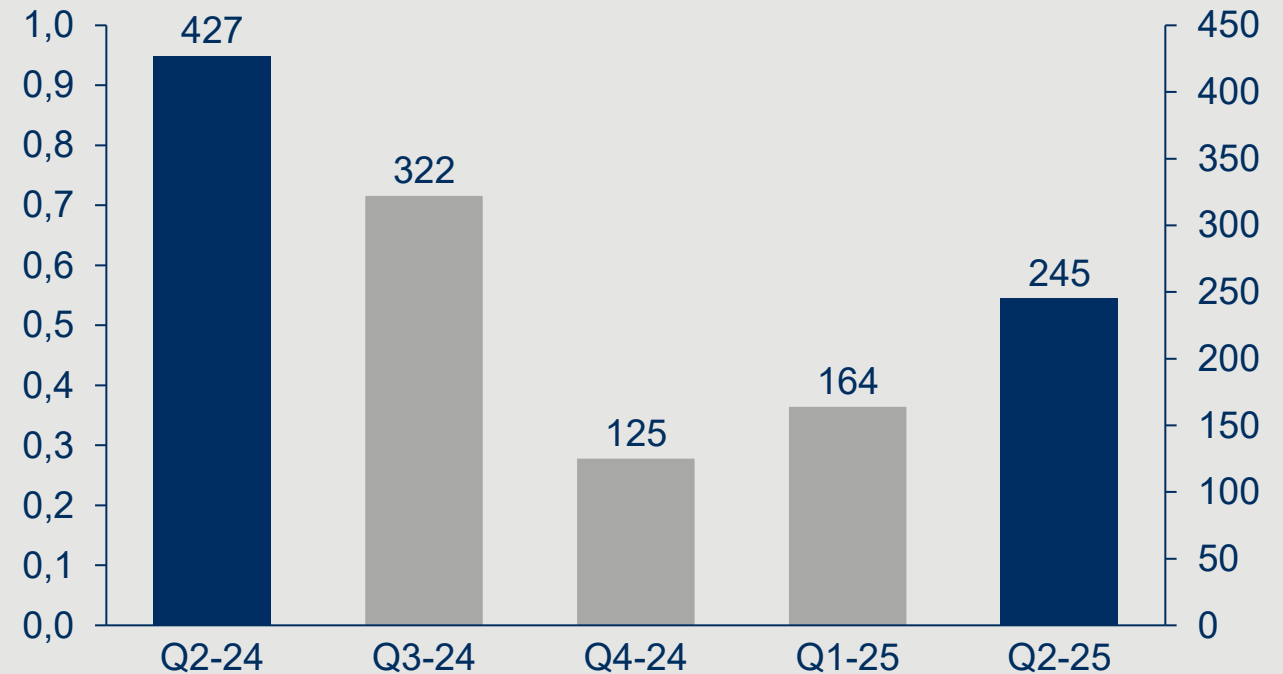
- Operating expenses down by SEK 8 million year-on-year
- Good cost control and favourable currency effects contributed
- Cost level as a share of revenue increased slightly, due to the lower sales volumes and inflation
- Continued focus on cost efficiency expected to show results in 2025/2026
- Additional minor restructuring cost during the upcoming quarters

Cash flow from operations lower than last year due to the lower inventory reduction compared to Q2 2024

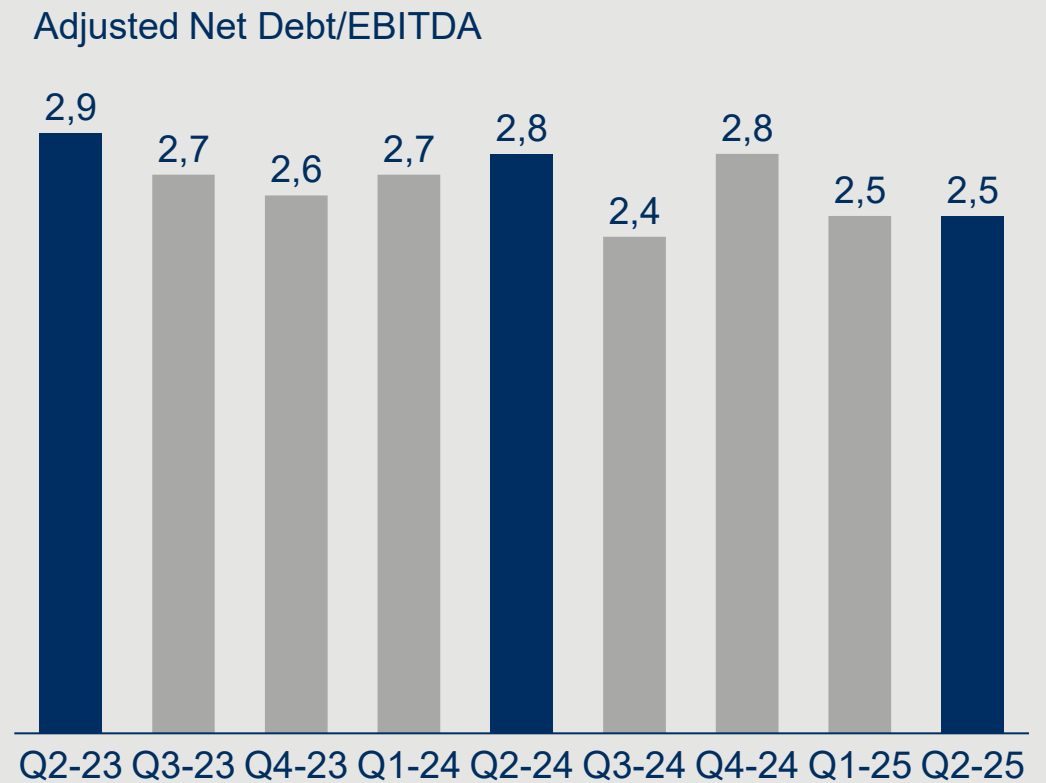
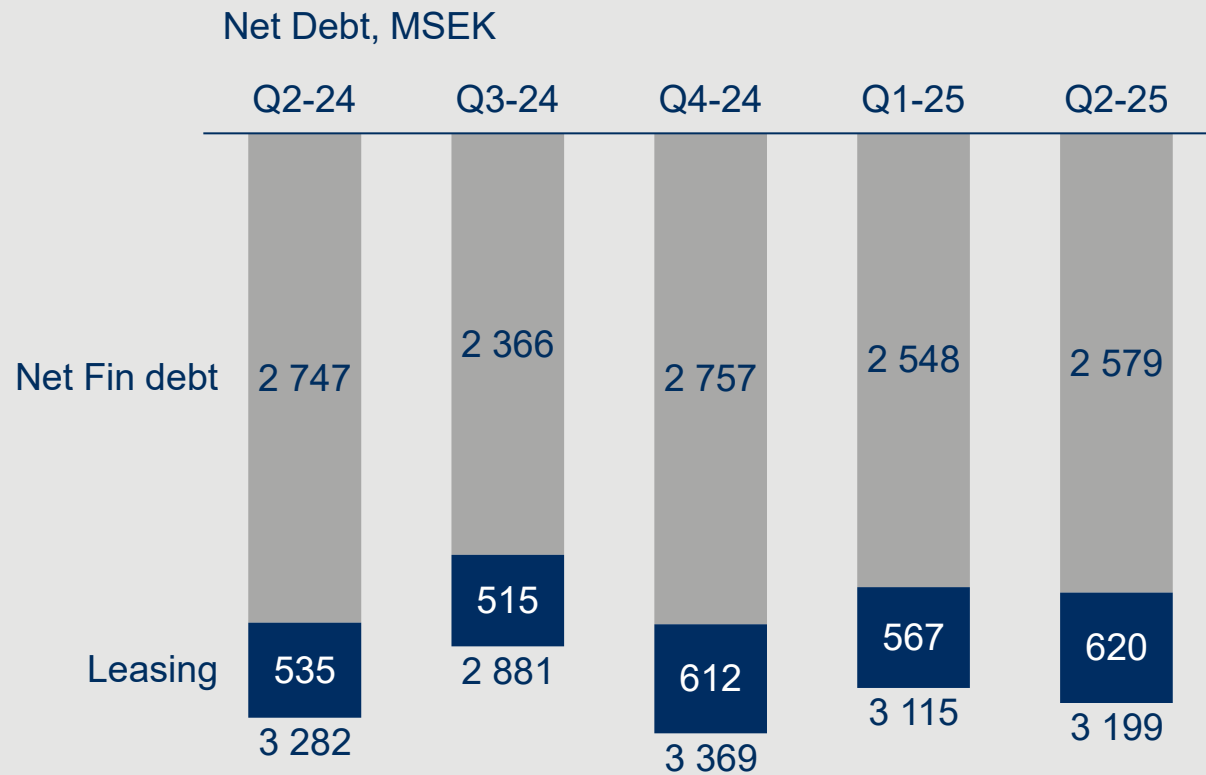
Cash flow from operating activities, MSEK



Cash flow from operating activities, MSEK



Net Debt/EBITDA improved year-over-year to 2.5x



CUSTOMER BACHMAN ESSENTIALS:
PEOPLE AND THE ENVIRONMENT

SATISFIED WITH US REDUCING CO₂
BY LOCAL SOURCING

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Q2 REPORT

Regional highlights

Erik Lundén

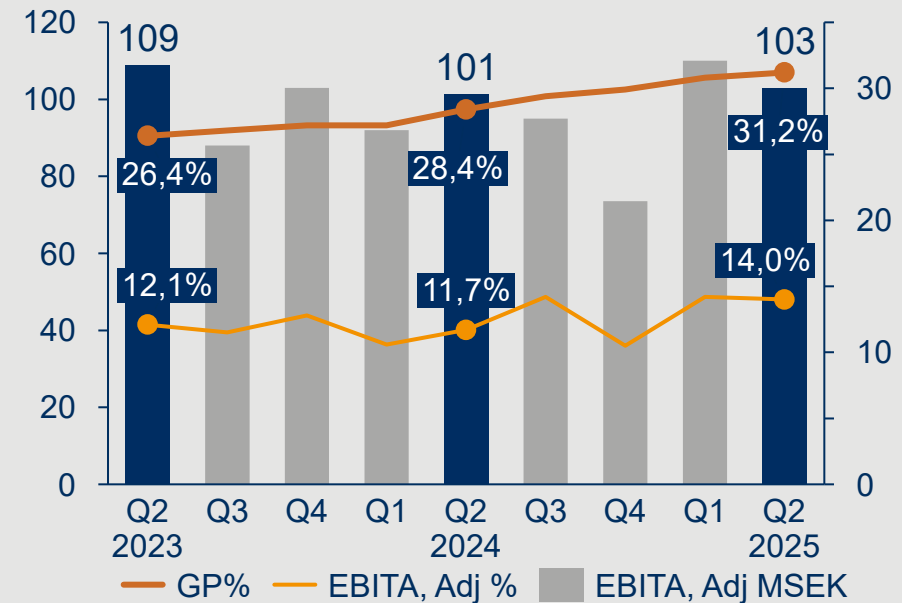
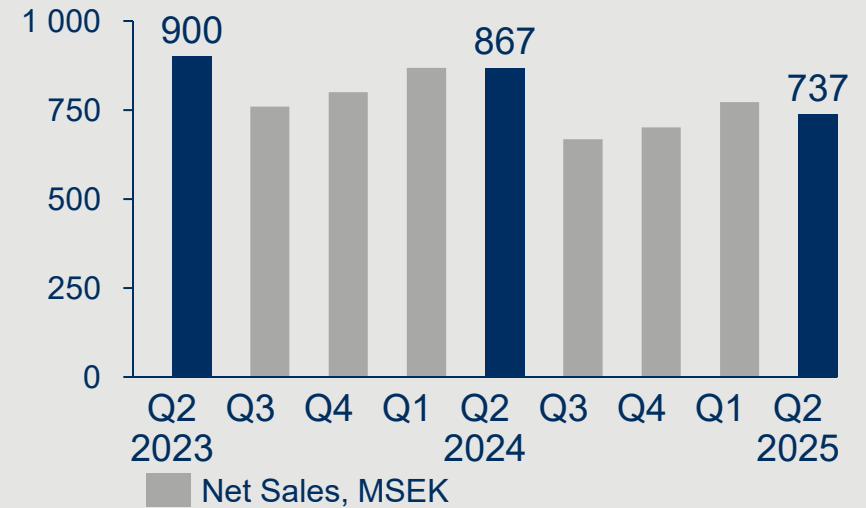
President & CEO

BUEAB

Region

Europe North & East

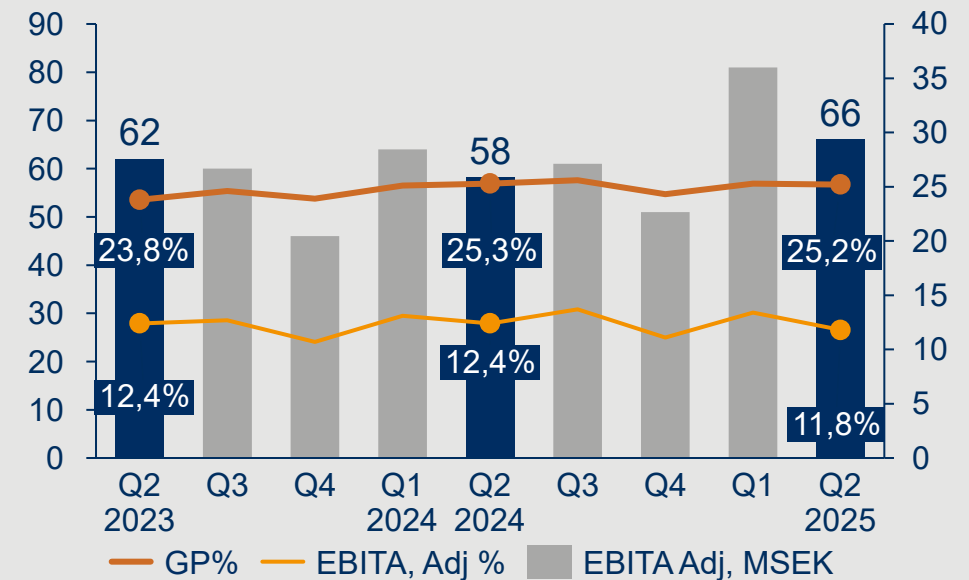
- Total growth was -14.9% and organic growth was -0.1%
- HT Bendix noted a continued weak development, while Bufab Poland saw improved demand
- The gross margin improved by 2.8 pp to 31,2%, driven by an improved customer and product mix, and consolidations of purchasing volumes
- Operating expenses decreased by SEK 18 million mainly due to the divestment of Bufab Lann and Hallborn Metall
- Adjusted operating margin improved to 14.0% (11.7)



Region

Europe West

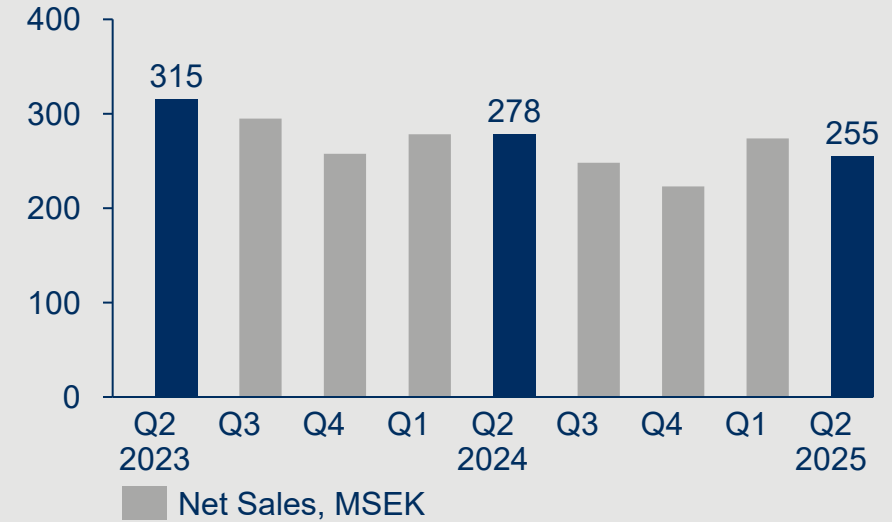
- Total growth amounted to 18.5% and the organic growth was -0.4%
- Lower activity levels in the automotive and construction industries
- Gross margin in line with last year
- Operating expenses increased by SEK 15 million year-on-year, mainly related to VITAL
- The adjusted operating margin was 11.8% (12.4)



Region

Americas

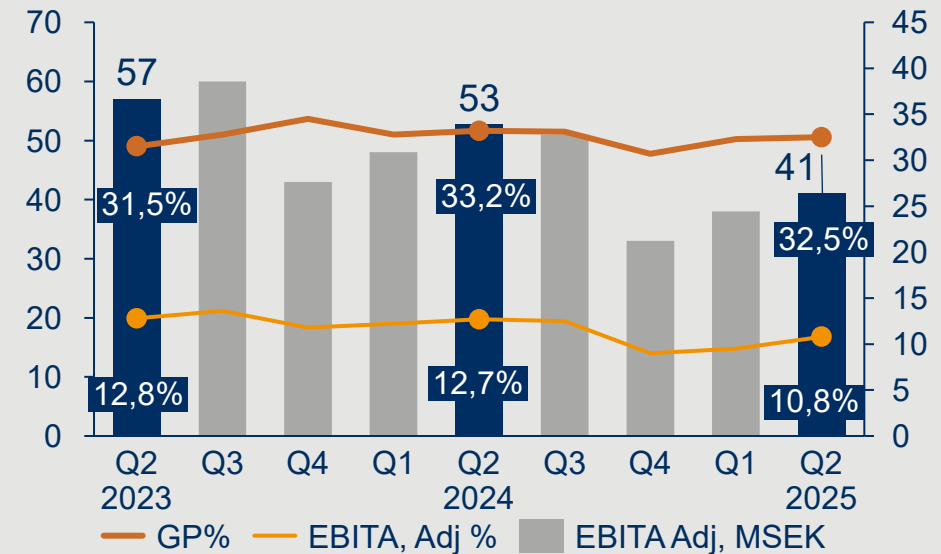
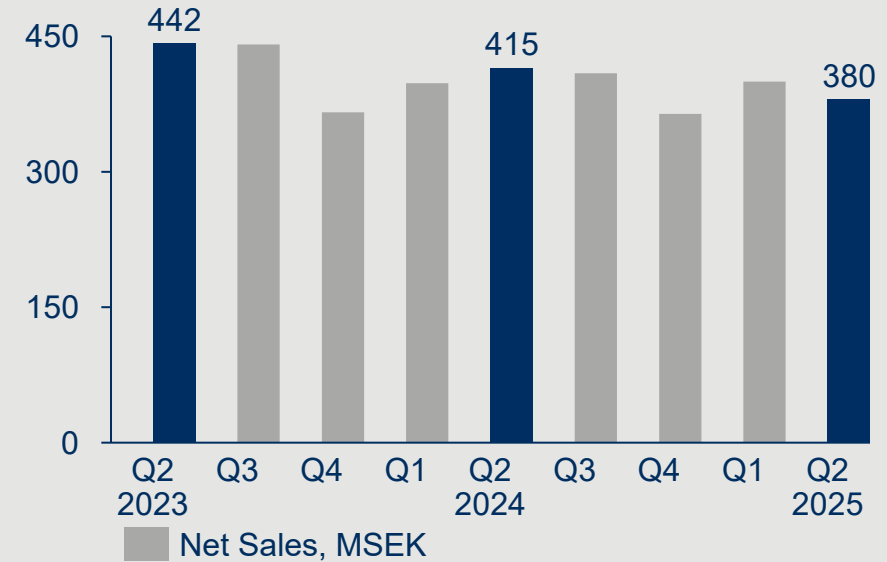
- Total growth amounted to -8.2% and the organic growth was 1.7%
- Demand was stable for the mobile home and trailer market, and low demand was still noted in the automotive industry
- Gross margin increased by 4.7 pp, driven by general price adjustments and the effects of tariffs
- Operating expenses declined SEK 13 million year-on-year due to good cost control
- The adjusted operating margin was 19.3% (11.6)



Region

UK & Ireland

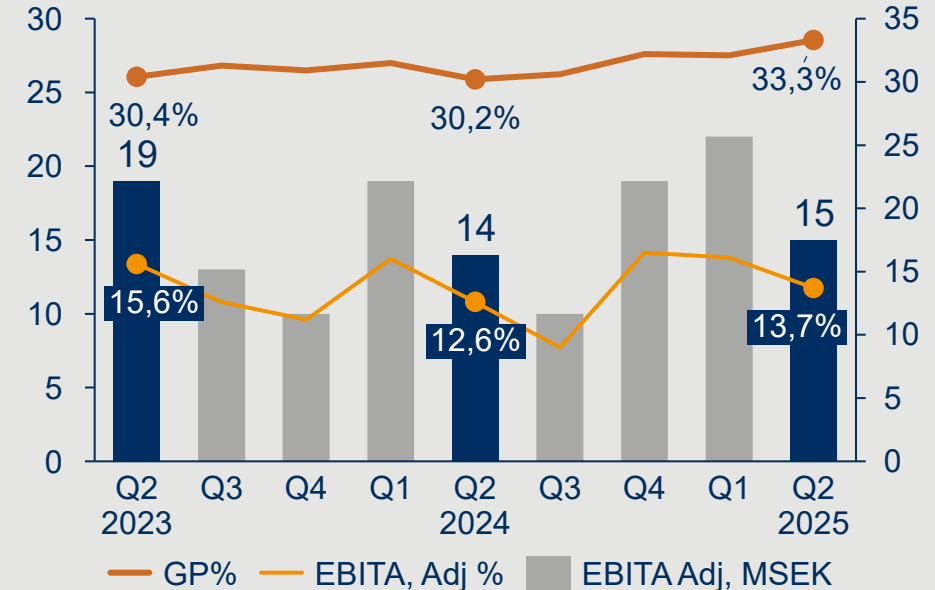
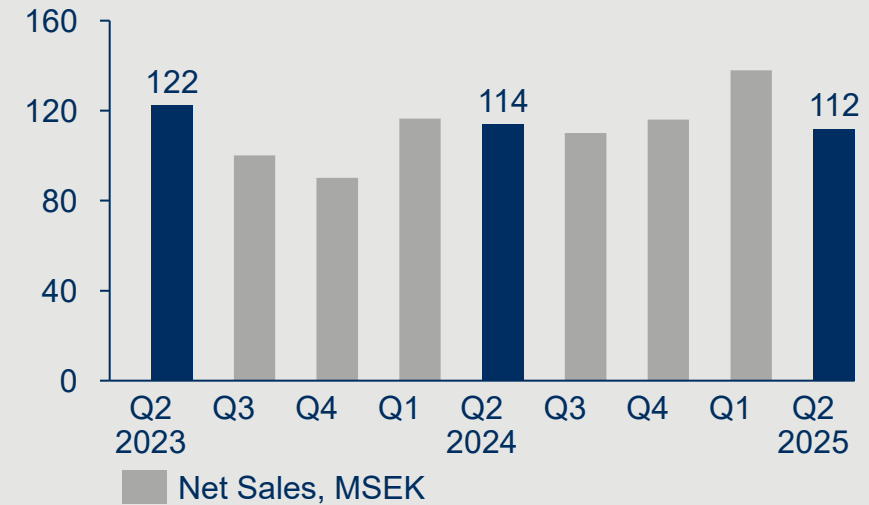
- Total growth amounted to -8.5% and the organic growth was -4.1%
- Lower market prices in mainly Apex and low demand from the manufacturing industry
- Gross margin declined by 0.7 pp, mainly driven by price pressure in the construction industry
- Operating expenses increased by SEK 1 million year-on-year
- The adjusted operating margin was 10.8% (12.7)



Region

Asia-Pacific

- Total growth amounted to -2.1% and the organic growth was 6.8%
- Organic growth driven by Bufab Shanghai and Bufab India
- Gross margin improved by 3.1 pp, due to purchasing savings and active work with value-based pricing
- Operating expenses increased by SEK 2 million year-on-year, primarily due to negative currency effects
- The adjusted operating margin was 13.7% (12.6)



BUFAB IS A 2024 CDP SUPPLIER ENGAGEMENT LEADER,
RECOGNIZED FOR DRIVING CLIMATE ACTION AND REDUCING
EMISSIONS ACROSS SUPPLY CHAINS

DISCOVERING THE NEXT SOLUTION

Q2 REPORT

US business & impact from tariffs

Erik Lundén
President & CEO

BUFAB

Our US business and impact from US tariffs

Our US business

- Two niche companies: American Bolt & Screw and Component Solution Group
- ABS – mobile home and trailer market
- CSG – automotive market, i.e., EV-vehicles, SUV's and trucks
- 12% of Bufab's total sales 2024 in US
- ABS source ~ 38% and CSG ~ 8% from China

Mitigating actions

- Price increases passed on to customers
- Prepared for different tariff scenarios
- Using alternative sources when needed (US sourcing generally not an option)
- Working closely with different stakeholders such as suppliers, customers and boarder control

Impact from US tariffs

- Positive short-term effect on our margins in US
- Somewhat lower demand as all manufacturers are trying to navigate the US tariffs, which are causing some customer plants to slow down their production
- Lower prices from China to the rest of the world – Buyers market continues
- The main risk is the overall impact on the global economy
- As a large and stable supplier Bufab can manage these disruptions better than smaller competitors

76% OF OUR OPERATIONAL ENERGY IS
RENEWABLE, WITH 5% GENERATED ON-SITE

THE PICTURE SHOWS THE SOLAR PANELS ON
THE ROOF OF BUFAB SWEDEN

DISCOVERING THE NEXT SOLUTION

Q2 REPORT

Summary, Outlook & Priorities

Erik Lundén
President & CEO

BUEAB

Summary, Outlook & Priorities

- Strengthened gross margin and strong operating margin, despite lower demand
- Several measures to reduce the cost base have been implemented and more to come, will give effect in 2025/2026
- Despite the uncertain market climate, we remain optimistic about the future – Focus on things within our control
- Continue to execute on our strategy – *Discovering the Next Solution*
 - 1) Continue securing new business and taking market shares
 - 2) Improve our margin - focused work on strengthening our gross margin and on cost savings
 - 3) Continuing to improve our NWC and secure strong cash flow

CUSTOMER GRIESSER PRIORITIZES SUSTAINABILITY,
AND WE MEET THEIR HIGH STANDARDS

THEIR INTELLIGENT SUN PROTECTION SOLUTIONS
SAVE UP TO 40% IN ENERGY

DISCOVERING THE NEXT SOLUTION

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Q&A

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